



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: European Union's sanctions threat
Da: Wednesday, Feb. 26, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comment on the European Union's latest threat of sanctions against U.S. products over a tax dispute.

"Last year, we convened a bipartisan, bicameral working group to look for solutions to the Foreign Sales Corporation/Extraterritorial Income Exclusion Act dispute. This group is making progress. We plan to address this issue after addressing our economic slowdown. We're giving this issue a high priority, and we'll comply with the ruling.

"The imposition of sanctions won't impact our timetable. We're committed to repealing FSC/ETI, and that's a high priority for this committee. Imposing sanctions will further sour the U.S./E.U. relationship. In the end, the sanctions won't achieve their objective. We have to deal with the economy first. The sanctions ironically could contribute to a further economic slowdown in both Europe and the United States."